



# HOUSE BILL 38: Second Amendment Financial Privacy Act.

2025-2026 General Assembly

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<b>Committee:</b>	House Commerce and Economic Development. If favorable, re-refer to Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	February 24, 2025
<b>Introduced by:</b>	Reps. Pyrtle, Miller, Goodwin, Chesser	<b>Prepared by:</b>	Bill Patterson*
<b>Analysis of:</b>	First Edition		Committee Co-Counsel

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**OVERVIEW:** *House Bill 38 would prohibit a payment card network from doing any of the following:*

- *Using, in connection with a payment card transaction involving a firearms merchant located in this State, a code that identifies the merchant as a firearms dealer or identifies the purchase as a purchase of a firearm or firearm ammunition.*
- *Knowingly maintaining a record of individuals residing in this State who own firearms.*
- *Discriminating against a firearms merchant based solely on the assignment or nonassignment of a firearms code.*

**BILL ANALYSIS:** House Bill 38 would enact the "Second Amendment Financial Privacy Act" as new Article 52 of Chapter 66 (Commerce and Business) of the General Statutes.

The Act would define "payment card network" as an entity involved in facilitating or processing an electronic transfer of funds between a merchant and a customer using a payment card and would define "firearms code" as any code or other indicator that identifies to a payment card network whether a person is a firearms merchant or whether a payment involves the purchase of a firearm or firearm ammunition.

The Act would prohibit three actions by a payment card network for transactions involving a firearms merchant within the State:

- Using a code that identifies the merchant as a firearms merchant or identifies the transaction as involving the purchase of a firearm or firearm ammunition.
- Knowingly maintaining a record of State residents who own firearms.
- Discriminating against a firearms merchant based solely on the assignment or nonassignment of a firearms code, including by refusing to serve on similar terms or declining a lawful payment card transaction.

The prohibitions would be enforced in two ways:

- The Attorney General would be authorized to investigate alleged violations by payment card networks and to assess a civil penalty of not more than \$10,000 for each violation.
- Any of the following could bring a civil action against a violator of Article 52 within three years after a violation is discovered, seeking injunctive relief, an award of statutory damages in the amount of \$10,000 for each violation, and an award of costs and attorneys' fees:

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- A firearms merchant whose payment card transactions are designated with a firearms code.
- A person whose record of a payment card transaction with a firearms merchant in this State includes a firearms code for that transaction.
- An individual who was listed as owning a firearm.

**EFFECTIVE DATE:** This act would become effective October 1, 2025.

**BACKGROUND:** The International Organization for Standardization (ISO) is an international nongovernmental group that develops global standards for a variety of industries, including payment card network processors. On September 9, 2022, the ISO approved a new merchant category code for firearms and ammunition retailers. The new code would enable companies involved in payment card processing to identify purchases made at firearms retailers.

*\* LAD Staff Attorney Greg Roney substantially contributed to this summary.*